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CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

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Economy

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- During 1951 there was a temporary shortage of zinc, tin, tungsten and heavy alloys for special steel in Rumania. There was also a serious lack of supplies of pure aluminum and electrolytic copper during the spring of 1951. However, apart from a lack of copper which was particularly strongly felt after the break with Yugoslavia, Rumanian industry had not felt very much effect from Regtern restrictions on strategic materials by the end of 1951.
- 2. Permanent problems are raised in the supply of the following secondary materials: abrasives, refractory materials, industrial diamonds, and polishing stones. The abrasives in use are of generally bad quality, and it is due to their bad quality that the problem is persistent. The same applies to refractory materials; this has a very bad effect on the efficiency of open hearth furnaces, which have to be relined once or twice a year when employing the present materials. Industrial diamonds are extremely short in quantity: occasions have arisen when ministerial edicts had to be issued allocating diamonds for temporary use in certain factories. The same applies to the polishing stones, with a resultant lack of finish on precision tools and instruments.
- The lack of the necessary salts and chemicals is one of the causes of badquality steel in Rumania today. Similarly special varnishes and lacquers for the electrical industry are a permanent headache, because of their present had quality.
- 2. Electrodes available in Rumania today are of a poor quality. The welding industry also suffers from a lack of good materials for welding and X-ray apparatus for control purposes. A lack of photographic films, valves and cathode-ray tubes and spare-parts generally has made it impossible to use this type of apparatus with any degree of reliability.

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- 5. Ball dearings are a sensitive point of Rumanian economy. The only existing ball-bearing factory produces a restricted number of types and of dimensions of medicors quality.
- 7. The Rumanian Five Year Fiam defends in its realization on imports of machine foolt. Despite the lack of feethnical experience and the low quality of the materials and labor employed, there can be no doubt that, if the great efforts made by the State constant, and the Western Powers continue to deliver machine tools, otherwise unobtainable in Rumania, the Five Year Flam will be more or less realized, and the Sories bloc will be reinforced by a further industrial contribution from one of the satellites.

Without these imports, neither the "teagul-Rosu ball-bearing factory nor the degrated plant of the Victoria works at Arad, nor many heavy mechanical workshops, themselves miking machine tools, would have yet started production.

3. By finite and sulphing and present no problem to Rumania, which has even a surplus of sulphinut ac. .

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